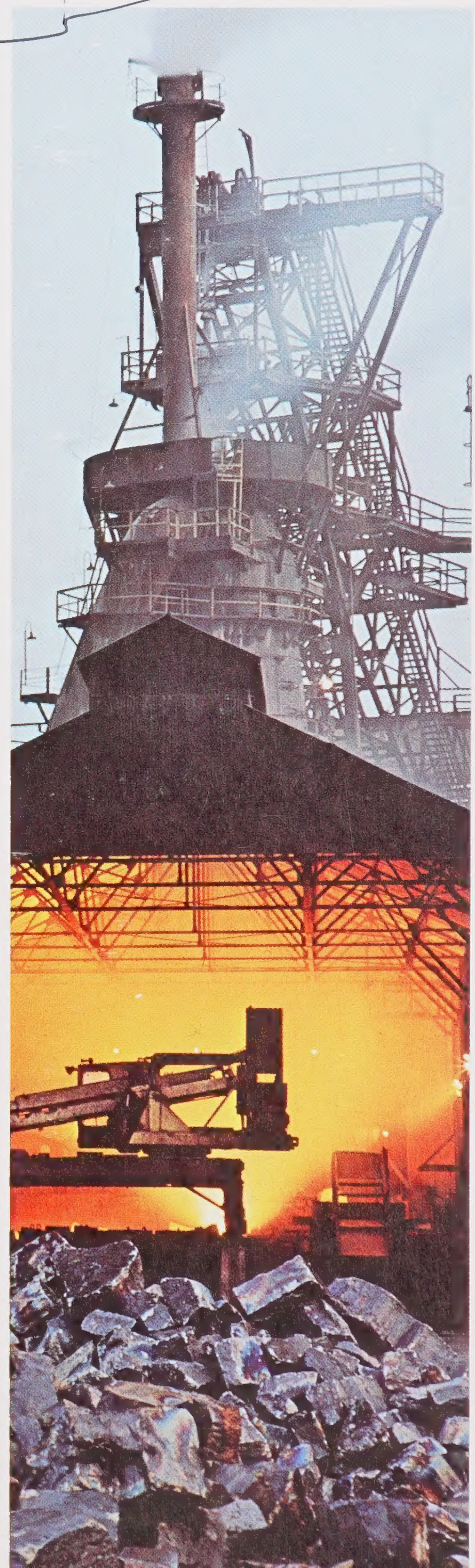
file

IMC 1967

International Minerals & Chemical Corporation

ANNUAL REPORT year ending June 30th

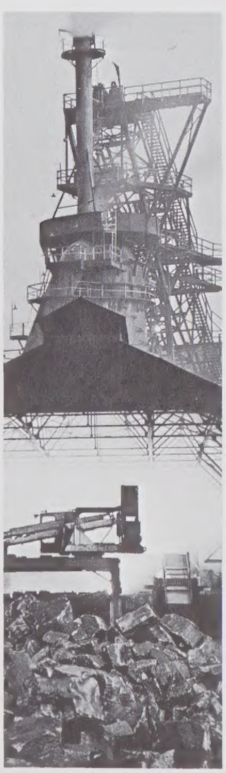


Annual Shareholders' Meeting

Shareholders are cordially invited to attend the Annual Meeting to be held at International Minerals & Chemical Corporation's Administrative Center, 5401 Old Orchard Rd., Skokie, Illinois, at 10 a.m., Chicago time, Tuesday, October 24, 1967. A formal notice of the meeting, together with a proxy statement and proxy form, will be mailed each shareholder on or about September 25.

The Cover

A wheat harvest in the Pacific Northwest and an IMC blast furnace in Sheridan, Pennsylvania, symbolize IMC's two principal areas of business—agriculture and industry. Fast-growing non-agricultural side this year produced revenues about equal to total corporate sales a decade ago.



58th Annual Report International Minerals & Chemical Corporation

Index

Year in Brief

1966	1967	years ended June 30
$299,322,001	**$329,522,505**	Net sales
30,327,295	**19,704,500**	Earnings before income taxes
24,627,295	**14,654,500**	Net earnings
7,943,316	**10,573,143**	Cash dividends paid to shareholders
69,425,649	**55,617,937**	Expenditures for property, plant and equipment
14,807,782	**19,469,685**	Depreciation and depletion
		Per Share of Common Stock
$2.56*	**$1.42**	Net earnings
.80*	**1.00**	Cash dividends paid
17.71*	**17.92**	Book value
		at June 30
$107,059,308	**$ 89,155,794**	Working capital
236,918,932	**283,509,694**	Property, plant and equipment (net)
181,859,643	**181,660,851**	Long-term debt
177,826,310	**207,631,457**	Shareholders' equity (net worth)
9,484,101*	**9,593,688**	Number of common shares outstanding
98,330	**357,573**	Number of preferred shares outstanding
19,617	**22,878**	Number of shareholders
7,313	**7,753**	Number of employees
3.1 to 1	**1.86 to 1**	Ratio—current assets to current liabilities

** Adjusted to reflect distribution on November 25, 1966, of one share of common stock for each two shares outstanding.*

To the Shareholders:

Nelson C. White

The growth trend for chemical fertilizer materials continued as expected this year but a combination of factors held corporate earnings well below last year's level.

Sales for the fiscal year ended June 30, 1967 were $329,523,000 and net earnings were $14,655,000, or $1.42 per share of common stock, before a special provision of $2.8 million for possible loss on a Senegalese phosphate investment. Sales in fiscal 1966 were $299,322,000 and earnings $24,627,000, or $2.56 per share.

The Corporation increased the equity, dividends, and shareholdings of the stockholders. The quarterly dividend on common shares was increased by 25 percent in September, the fourth increase in three years, and a 50 percent stock distribution was made in November, one additional share of common for each two held.

The industrial and consumer products area of the Corporation's business showed continuing and substantial gains.

The agricultural sector, however, was hit hard by weak prices in fertilizer materials, a loss in projected potash volume with the delayed start-up of the company's new K-2 mine in Canada, and unexpected expenses related to the delayed start-up.

Weak prices in an active growth industry are not uncommon, with new and old competitors increasing production capacities and scrambling for business. The rapidly increasing growth in fertilizer consumption should have a long-term firming influence on prices.

World potash and phosphate use is expected to increase about 8 percent in fiscal 1968, with a continuing average yearly increase of about 7 percent for both nutrients compounding annually through 1980.

IMC's greatly expanded and highly efficient production facilities and unique distribution strengths will serve the Corporation well in the industry's continued growth.

IMC's competitive position is being further strengthened in the new year by placing the Carlsbad potash mine and other less efficient operations on a more competitive scale and substantially reducing expenses throughout the company to improve profitability.

The industrial sector continued to gain in importance in the corporate sales and earnings picture. The diversified line of minerals and chemical specialty products developed over the past several years now provides a stable and growing source of income and shows increasing promise as a balance against fluctuations in the rapidly-growing agricultural products sector.

The E. J. Lavino and Company Division, which became part of IMC at mid-year, significantly broadened IMC's industrial product lines and will add about $40 million to sales on a full-year basis.

IMC Drilling Mud expanded its product line, services and facilities in England, Sardinia, Alaska, and California.

Industrial Minerals gained new

foundry customers with two new Customix plants in the Midwest, nearly doubled bentonite capacity, and began a major expansion of resin production facilities.

The new Industrial Chemicals Division increased sales at its Niagara Falls operation. Construction began on a joint venture plant, owned by IMC Chlor-Alkali, Inc., which will begin production at Orrington, Maine, in early 1968.

The Ac'cent International Division was given responsibility for the sales of bulk monosodium glutamate as well as the Ac'cent brand retail product and related institutional food items, and registered a significantly larger profit contribution.

It is in the fast-growing agricultural chemicals sector, however, that IMC's principal strengths and opportunities are still centered. One year's disappointing results should not be allowed to obscure the very promising potentials in this field, nor the very real gains in production capacity and efficiency which were made during the year.

The agrichemicals market is expected to more than double between now and 1980, picking up over $1.5 billion yearly in sales of fertilizers, feed supplements, pesticides and other agrichemicals worldwide. By exploring every possible area of development, and by identifying opportunities that are both real and realizable, IMC plans to be in the forefront of this growth.

New production facilities, their start-up costs behind us, should contribute substantially to profits. The new K-2 potash mine increases capacity of the Canadian operations by 75 percent; the new computerized Kingsford plant stepped up Florida phosphate rock production by 33 percent, and a new feed phosphate plant at the nearby Bonnie chemicals complex provides both the flexibility to meet changing product requirements and the capacity to meet domestic and overseas demands.

The Rainbow (Plant Food) Division opened a score of small new fertilizer plants and facilities in the Midwest and Southeast, and plans several more.

In IMC Research, there was encouraging progress toward development of basic new products and complete agronomic systems of the future.

Overseas, a number of significant developments offer new opportunities for greatly expanding the Corporation's agrichemical interests on a global scale.

IMC began discussions in June which would lead to participation in development of what is believed to be the world's largest and richest undeveloped phosphate deposits in the Spanish Sahara, after being chosen from a large field of competitors to negotiate with the Spanish government. Many questions remain to be resolved, but the development presents a very large opportunity if these can be successfully worked out.

The Corporation is evaluating the feasibility of a joint venture with Societé de Prayon S.A. of Belguim to build at Antwerp a phosphoric acid

plant which would be the largest in the Common Market.

IMC began a two-phase study in Thailand to develop a comprehensive program for Thai agriculture and determine feasibility of a fertilizer investment consortium there. The Corporation is also exploring similar possibilities in the Dominican Republic and other Latin American countries.

The Corporation also joined with a group of Mexican investors in a joint venture company formed to explore for and develop in Mexico a new source of sulphur for growing world fertilizer and other requirements.

In India, IMC's pioneering joint venture with its U. S. and Indian partners in the $70 million Coromandel Fertilisers plant approached fruition, with full-scale production scheduled to begin this fall.

Phosphate mineral reserves were expanded and exploration for new deposits of both agricultural and industrial minerals continues around the world.

The Corporate organization underwent major change during the year. Responsibilities of Chief Executive Officer were assigned to the President, with Executive Vice President and Group Vice President positions newly created to speed decision-making, streamline administration, and integrate functions within Agriculture, Industry and Administrative groups.

Two new nominees for membership on the Board of Directors will be presented at the Annual Meeting, October 24. Mr. T. M. Ware and Mr. Edwin C. McDonald are not candidates for reelection, but their valued contributions to the Corporation's affairs will be continued with Mr. Ware acting as consultant and Mr. McDonald as a Director of the Canadian subsidiary.

Mr. John M. Budinger, Chairman of the Finance Committee of the Board of Directors, died during the year. In his six years on the Board, Mr. Budinger contributed significantly to the Corporation's growth, and his loss is deeply felt.

The year's developments are reported in more detail on the following pages. Together, they represent a fundamental gathering, redirection, and development of the Corporation's competitive strengths to continue the growth of recent years in a changing competitive environment. The 1968 outlook is for further gains in earnings for the Corporation's industrial and food products; short-term competitive conditions in the agrichemicals industry will find no company better equipped to cope with competition and to participate in the industry's growth.

N. C. White

President

August 10, 1967

Year in Review

After seven consecutive record years, the downturn in earnings for fiscal 1967 was the result of an unusual combination of circumstances which outweighed the continuing rapid growth in demand for the Corporation's agricultural products and offset important gains in the company's industrial sector.

Major factors in the lower earnings were weakness in fertilizer prices and a delay in production from the new K-2 potash mine—reducing volume which had been expected to off-set the effect of narrower profit margins.

The fertilizer growth trend continued. U.S. and world consumption was up about 10 percent.

A fertilizer test marketing and farmer education program is being conducted in Thailand by IMC, which is working with the Thai government to increase the farm productivity and strengthen the economy.

IMC shares fully in this market, domestic and world-wide. Phosphate rock, phosphate chemicals and potash shipments overseas increased 17 percent. In new overseas markets, IMC moved potash into Europe and India.

Domestically, IMC shipments of phosphate rock, phosphate chemicals and potash increased 7 percent.

Factors Affecting Year's Earnings

Reduced margins on potash and concentrated phosphates, which had shown signs of improving late last fall, were aggravated by adverse spring weather in important market areas.

Potash prices continued weak. The K-2 mine and refinery failed to start up until mid-April, missing virtually the entire spring fertilizer season. Unexpected problems in sealing off the last water-bearing stratum above the potash and an accident in the shaft combined to produce the three-month delay.

The repercussions of this setback were manifold and costly. Start-up expenses increased sharply because the trained work force had to stand by, and carefully coordinated distribution and marketing arrangements were badly disrupted. K-2 is now producing at capacity and will contribute to earnings for the whole of fiscal 1968.

Concentrated phosphates also suffered reduced margins as new capacities came into the market and production costs rose because of higher prices on sulfur, an important raw material. Depressed prices in diammonium phosphate in turn affected the prices of other phosphate concentrates.

Gains Continue In Industrial Area

The Corporation's industrial products sector continued to show healthy growth in both sales and profits, reflecting success of a long-range program to increase non-agricultural sales and thus help stabilize the company's overall profit growth.

The four divisions of the Industry Group—Industrial Minerals, Drilling Mud, Industrial Chemicals, and Lavino—contributed about $75 million in sales this year.

IMC moved into the refractories, ferromanganese and manganese chemicals fields by the acquisition at mid-year of the major manufacturing assets of E. J. Lavino and Company, which became a division of the group.

The Drilling Mud Division, suppliers to the oil well drilling industry, opened new engineering, sales and service facilities in England to serve new North Sea oil and gas operations, and in Alaska, for that growing market. To better serve off-shore drilling customers in California, the division acquired dock and other facilities at Santa Barbara.

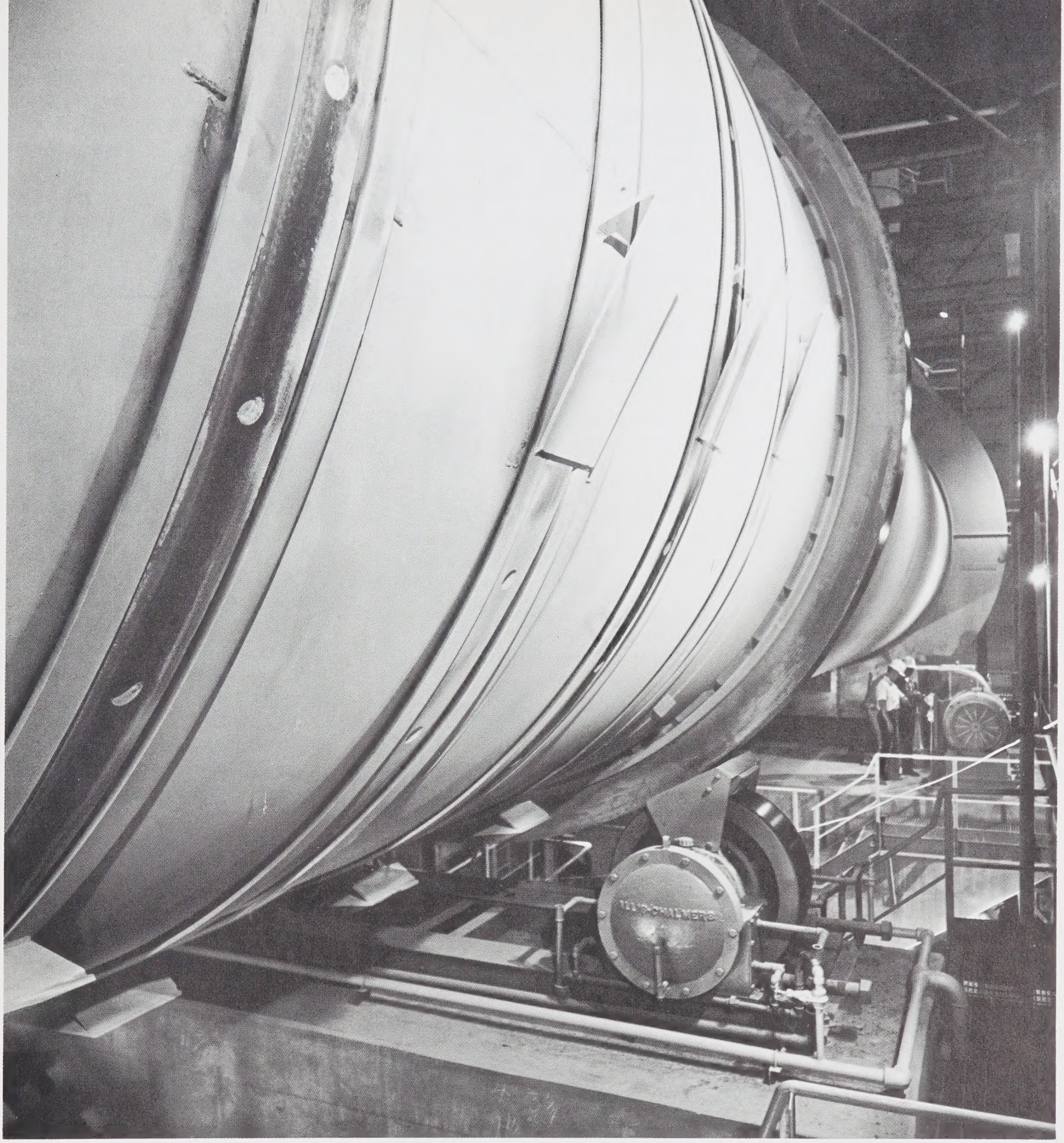
It is also completing a mill on the site of its new barite mine on the island of Sardinia.

Industrial chemicals plant begins to resemble construction model. IMC will be responsible for operation of the joint venture plant, scheduled to be in production early in 1968. IMC Chlor-Alkali will be Maine's only commercial producer of chlorine and caustic soda for the growing pulp and paper industry.

The Industrial Minerals Division opened its second and third plants to provide Customix molding sand additives to the principal foundry areas of the Midwest. An IMC-developed custom product service introduced in 1964, the pre-mixed sand additives save mixing time and inventory costs.

Industrial Minerals also began a $1.5 million expansion at the Stresen-Reuter International plant in Bensenville, Illinois. The plant supplies resins to the paint and printing ink industries and sand binders to the foundry industry.

A new bentonite mill at Colony, Wyoming, almost doubles the capacity of an older and less efficient plant being



Mammoth rotary dryer in the Animal Health & Nutrition Division's new plant at Bonnie, Florida, processes 250 tons of feed phosphates per hour. The new plant, which started production in March, has a rated capacity of 500,000 tons of finished products annually. It is the largest feed phosphate plant in the world.

 closed at Belle Fourche, South Dakota, and improves IMC's service to foundry customers and other users of this versatile clay.

Expansion in Industrial Chemicals

The Industrial Chemicals Division –formed in September 1966 to expand production and sales of chlorine, caustic soda, caustic potash, potassium carbonate, and refined potassium chloride–broke ground last fall for a new chlorine and caustic soda plant of IMC Chlor-Alkali, Inc., at Orrington, Maine. It is expected to be completed early in 1968, and will serve the New England pulp and paper industry. IMC has the lead position in this joint venture project.

Sales and profits of chlor-alkali products and other potassium chemicals increased during the year.

Ac'cent Sales, Earnings Up

The company's food product division, Ac'cent International, showed substantial profit gains on moderately increased sales.

Increased retail, institutional and food processing sales of Ac'cent, with improved margins on the bulk product, were largely responsible for the improved profitability of the division. To maintain this momentum, a new network radio and television advertising campaign is underway.

The division also continued its diversification program, introducing a yeast extract to the food processing industry, and a soup base into the institutional field in New York, Chicago and New England. An improved sauce base was also introduced to the institutional markets.

A food seasoning, especially formulated for Puerto Rico and successfully marketed there under the trade name Sa-Són Ac'cent, was well received in the Puerto Rican neighborhoods of New York City, Chicago and Philadelphia, and another Sa-Són Ac-cent product was introduced in Mexico. Several other new products now under development are scheduled to be introduced in fiscal 1968.

At year end, the division had completed negotiations to acquire Village Inn Gourmet Foods, Inc., a producer of specialty rice products.

Growth Ahead In Fertilizers

The long-range outlook continues bright for earnings from agriculture, the major contributor to corporate growth. The increased use of chemical fertilizers is an inexorable consequence of the rapidly increasing world population. Sales of fertilizers to developing countries are growing–both directly and through AID, the Agency for International Development.

Already the U.S. fertilizer industry's largest customer, AID expects plant food purchases in the fiscal year 1968 to more than double the record of \$150 million in fiscal 1967.

IMC is exploring many possible areas of development to extend its leadership in the growing agricultural area and to capitalize on the great promise it offers.

During the year, IMC opened its new, highly automated Kingsford phosphate rock plant in Florida, increasing production capacity to 8 million tons from 6 million tons annually.

At the nearby Bonnie chemicals complex, a new animal feed phosphate plant began production late in the year. The largest of its kind, the plant produces three different products to meet the needs of the feed manufacturing industry.

The Corporation's highly efficient potash operations in Canada give IMC continuing leadership in that product with a combined capacity of 3½ million tons a year. The new \$60 million K-2 operation, which started up in April, has a capacity of 1½ million tons a year. The K-1 plant produces at an annual rate of 2 million tons.

To increase efficiency and profitability, IMC's Carlsbad potash operation cut annual production in half and is installing a new process developed by the company.

The Rainbow Division (Plant Food) opened 20 small blending plants and distribution facilities in the Midwest and Southeast during the year. The Division provides key elements of systems agriculture–fertilizers, insecticides, herbicides, and management and application services–to farmers, either directly or through dealers. The Division also markets fertilizer materials to other plant food producers.

New Activities On Global Scale

Outside North America, IMC is active in various ventures offering

In Alaska—and in key offshore oil well drilling areas in North America and Europe—IMC Drilling Mud supply stations and personnel are building strengths to serve the oil drilling industry. This rig is in Cook Inlet area on the oil-rich Kenai peninsula in Alaska.

The $70 million Indian fertilizer plant, in which IMC is a partner, nears completion. Nearly four years in the building, the plant is scheduled for start-up in the fall of 1967. The first U.S.-backed private fertilizer project in India, it will produce more than 380,000 tons of badly needed plant nutrients a year.

greatest potential application of its skills and facilities.

The Corporation's stature in the industry as a world leader in the mining, processing, and marketing of fertilizer minerals attracted wide public attention this year with announcement by the Spanish government that IMC had been asked to become a participant in development of its Spanish Sahara phosphate deposit. More than 25 companies, including combines of some of the world's largest corporations, had sought the invitation.

IMC began discussions with the Spanish government in late June toward negotiation of a participation agreement. Principal items for consideration include conditions of the Corporation's participation and reasonable assurances for political stability and security of investment.

The deposit contains an estimated 1.4 billion tons of phosphate ore. Initial plans call for construction of a 3-million-ton mine and refinery, to be in operation three to four years after construction begins, with total project cost of about $100 million. Seven years thereafter the installation would be producing 10 million tons of product a year, with a total cost of about $185 million.

IMC proposed a 25 per cent participation in the venture. A Spanish government corporation, Instituto Nacional de Industria, would own at least 55 per cent, and another minority partner or partners might take a part or all of the remaining 20 percent.

Geological and engineering work to confirm evaluation of the project is scheduled to be completed by IMC in calendar 1967.

In a move to strengthen its position in the European Common Market, IMC has been negotiating with Societé de Prayon, S.A., a joint venture to build a plant in Antwerp, Belgium, to produce phosphoric acid, used in the manufacture of concentrated fertilizers, feed ingredients and industrial products.

The $16 million plant would produce 325,000 tons of phosphoric acid a year, making it the largest in the Common Market. The plant would be owned and operated jointly by IMC and Prayon, a leader in phosphoric acid production techniques.

IMC Projects in Developing Countries

IMC is a partner in a $70 million pioneering fertilizer plant venture in India, scheduled to begin production this fall. The Coromandel Fertilisers, Ltd., operation—first U. S.-backed private sector fertilizer project in India—will produce and market 380,000 tons of ammonium phosphate and urea annually. IMC's partners in Coromandel are Chevron Chemical Company (subsidiary of Standard Oil of California) and E. I. D.-Parry, Ltd., of Madras, India. Other Indian investors own 47 percent. Major debt financing was provided by the Export-Import Bank of Washington and the U.S. Agency for International Development. A dealer organization numbering 2,300, already selling fertilizer imported from the U.S. to seed the market, has shown strong demand exists there for fertilizers and other agronomic inputs.

In another developing country, Thailand, IMC began a two-phase study: to develop a comprehensive program for the accelerated development of

From the control panel at IMC's automated Kingsford phosphate plant in Florida, one analyst can monitor and correct operations throughout the plant. The control panel—functioning in conjunction with a computer—"scans" plant operations every five seconds, reporting production instantly in terms of tons per hour.

Thai agriculture, and to assess a proposed fertilizer investment by a consortium headed by IMC.

The project is the first to apply the systems approach to agricultural development—from farmer training, through research, credit and distribution, to food processing. Major advantage of the Thai consortium approach would be the application of expertise and management skills beyond the capability of any one company.

A similar approach being explored with the Dominican Republic calls for a profit-oriented consortium headed by IMC to engage in agricultural development of government lands.

In Mexico, IMC acquired 34 percent of Azufrera Intercontinental S. A. de C. V., which has applied for a concession to explore for and develop sulfur. As required by Mexican law, 66 percent is Mexican-owned.

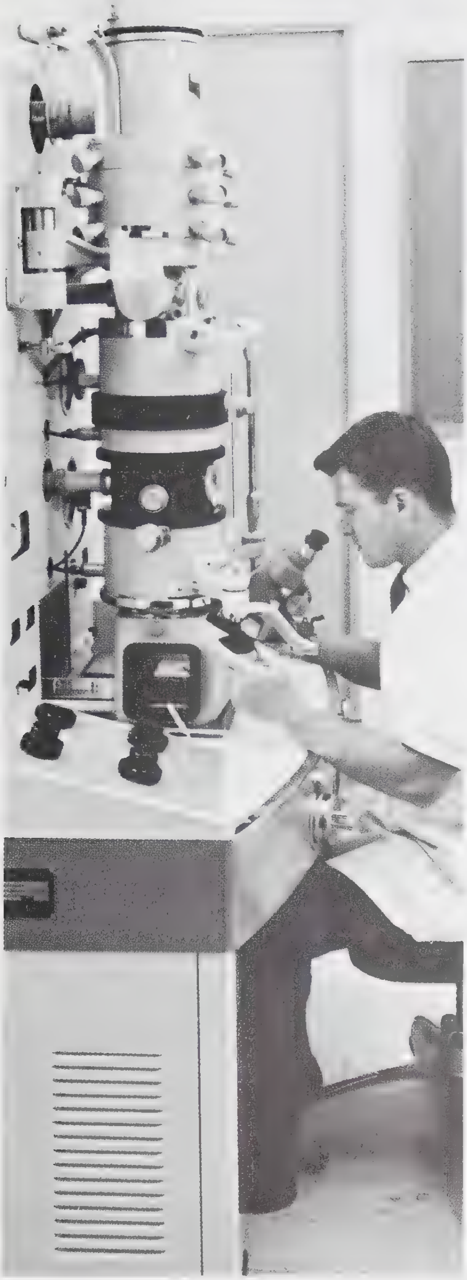
More than 40 percent of current world sulfur production is used to make concentrated phosphatic fertilizers; already in short supply, sulfur demand is growing.

Opportunities In Distribution

As the Corporation's international activity increases, ocean distribution becomes even more important to profitable marketing, and a 41,000-ton vessel has been built to haul IMC agricultural and industrial minerals. Moving more than 5 million tons annually of its bulk products by ship, where transportation costs can be four times the cost of the product, IMC control of schedules, routes and deliveries of the new ship can effect important economies.

To achieve added domestic distribution economies on land, IMC has expanded its leased rail car fleet to 4,000 and refined its computer-assisted utilization of these cars.

Refractory bricks are impregnated with tar at the E. J. Lavino and Company plant at Plymouth Meeting, Pennsylvania. Lavino is a leader in supplying refractory bricks and mortars used to line industrial furnaces. The tar impregnated bricks are used in the basic oxygen furnaces in steel industry plants.



A powerful new electron microscope installed during the year allows IMC research scientists to study viral and microbial life a thousand times too small to be seen with the best of light-beam microscopes.

Computer Applications

The company is also using the computer to gain a customer service edge in merchandising its farm products. Latest development, now being tested, is a computerized weed control program. Field installations transmit data by phone to a shared time computer to give the farmer, in minutes, a recommended weed control program.

Another computerized service, for farm management programs, went into commercial use in the Corn Belt on July 1, 1967, after extensive testing and is currently helping more than 1,200 farmers optimize profits. It analyzes all the controllable variables in crop production and comes up with the best overall plan for the individual farm. Development work is already underway on programs for other areas.

New Product From Research

An IMC product to increase soybean crop yields moved from research to the market, with government clearance for its use in growing seed beans. The growth regulator, called Regim-8, diverts growth from leaves and stalk to beans and permits heavier plant populations. IMC has applied for clearance for its use on all soybean crops.

In the field testing stage, but with extensive research still to be done, are biological insecticides that are highly efficient and specific yet leave no residues harmful to man or animals. Researchers are also screening and testing chemicals that would conserve plant moisture in drought periods and have started work on other chemicals that show promise of enhancing germination of soybean and cotton seeds. These are speculative but potentially profitable studies.

Reserves

IMC continues its world exploration for new deposits of the company's basic minerals. With acquisition of new reserves in the Southeastern United States, the company's phosphate reserve level is estimated to be in excess of 300 million tons of product. Canadian potash reserves are estimated at 348 million tons of product, and the Corporation holds additional reserves in New Mexico.

Extensive reserves of South African chromite, used in the production of refractories, were obtained in the Lavino acquisition.

The company also has reserves, based on present production rates, of bentonite for more than 30 years, of barite for 15 years, and feldspathic materials for more than 80 years.

Labor Contracts

For the fourth consecutive year there were no strikes at any company location. During the year, 21 labor contracts were signed. Average term of the contracts is 2.4 years.

Louis Ware Honored

The "courage and foresight" of Louis Ware in guiding the Corporation to development of Canadian potash reserves were paid unanimous tribute by the Board of Directors in an action formally naming IMC's pioneering potash project near Esterhazy, Saskatchewan, in honor of the company's former Chairman and President.

Ac'cent, the flavor enhancer, set sales and earnings records during the year, and to accelerate this growth, marketing and advertising efforts are being stepped up. Ac'cent commercials will appear on all three major television networks, on local TV in 48 major markets and on network and local radio.

Sales & Operations Highlights

Banks of flotation machines separate phosphate from impurities at the new Kingsford, Florida, plant, which has boosted IMC's phosphate volume by 33 per cent to almost 8 million tons per year.

Agricultural Products

Share of Total Corporate Sales	71 per cent
Increase in Dollar Volume Over 1965-66	3 per cent

Feed Ingredients

Increase in Dollar Volume Over 1965-66	2 per cent

Mixed Fertilizers

Increase in Dollar Volume Over 1965-66	20 per cent

Nitrogen

Increase in Dollar Volume Over 1965-66	18 per cent

Phosphate

Phosphate Rock Tonnage	7.9 million tons
Phosphate Concentrates Tonnage	1 million tons
Decrease in Dollar Volume From 1965-66	(6) per cent

Shipments Breakdown	Overseas	41 per cent
	Domestic	30 per cent
	IMC Plants	29 per cent

Potash

Total Tonnage	3.1 million tons
Decrease in Dollar Volume From 1965-66	(2) per cent

Shipments Breakdown	Overseas	30 per cent
	Domestic	59 per cent
	IMC Plants	11 per cent

Industrial Products

Share of Total Corporate Sales*	23 per cent
Increase in Dollar Volume Over 1965-66*	44 per cent

Industrial Chemicals

Increase in Dollar Volume Over 1965-66	17 per cent

Industrial Minerals

Increase in Dollar Volume Over 1965-66	25 per cent

Oil Well Drilling Muds

Decrease in Dollar Volume From 1965-66	(4) per cent

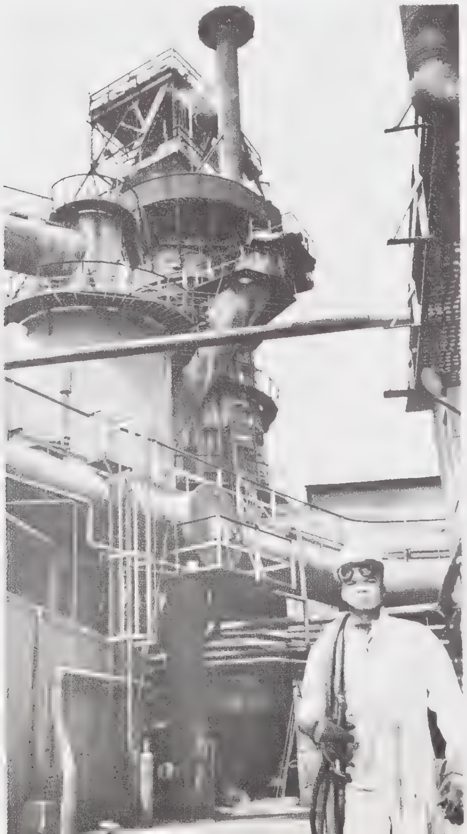
* *Includes sales of E. J. Lavino and Company for six months ended June 30, 1967.*

Food Products

Ac'cent International

Share of Total Corporate Sales	6 per cent
Increase in Dollar Volume Over 1965-66	3 per cent

Acquisition of E. J. Lavino and Co. manufacturing assets during the fiscal year brought wide ranging diversification to the company. This plant at Sheridan, Pennsylvania, supplies ferromanganese products to the steel industry. Manganese chemicals go into dry cell batteries, animal feeds, chemical fertilizers, ceramic products and electronic components.



Financial Review

Sales and Earnings

Net sales for the fiscal year ended June 30, 1967 were $329,522,505 compared with the previous year's sales of $299,322,001.

Earnings were $14,654,500 or $1.42 per common share on 9,593,688 shares outstanding. In 1965-66, earnings were $24,627,295 or $2.56 per common share on 9,484,101 shares outstanding (restated to reflect common stock distribution). The net earnings for fiscal 1966-67 are exclusive of a $2,800,000 provision for possible loss on a foreign investment.

Common Stock Distribution

A common stock distribution of one share for every two shares outstanding was issued on November 25, 1966 to shareholders of record on November 2, 1966.

Dividends

Quarterly dividends of 25 cents per share of common stock (reflecting the adjustment for the common stock distribution) or $1 per share for the year, for a total of $9,531,716, were paid by the Corporation. The dates of declaration, record and payment were:

Date Declared	Shareholders of Record	Date Paid
9- 8-66	9-19-66	9-30-66
12- 1-66	12-15-66	1- 3-67
2-27-67	3-14-67	3-30-67
5-25-67	6-13-67	6-30-67

Quarterly dividends of $1 per share or $4 for the year, totaling $393,320, were paid on the 4 percent cumulative preferred shares on the foregoing dates, except that the preferred dividend declared on December 1, 1966, was paid on December 30, 1966.

Quarterly dividends on the Series A 5 percent convertible preferred stock of $1.25 per share, or $2.50 for the fiscal year ending June 30, 1967, totaled $648,107. The dates of declaration, record and payment were:

Date Declared	Shareholders of Record	Date Paid
2-27-67	3-14-67	3-30-67
5-25-67	6-13-67	6-30-67

The dividends on June 30, 1967 were the 91st consecutive quarterly payment to holders of the common stock, the 101st consecutive quarterly payment on the 4 percent preferred, and the 2nd consecutive quarterly payment on the Series A 5 percent preferred.

Working Capital

Cash recovery from operations was $35,455,185. During the year, $26,024,300, represented by 259,243 shares of Series A 5 percent convertible preferred stock and a 6½ percent, 3-year $100,000 note, was paid to acquire the major manufacturing assets of E. J. Lavino and Company (consisting of $15 million in working capital and $11 million in property, plant, equipment, and other assets).

Total dividends paid to shareholders were $10,573,143. Additions to prop-

IMC opened its second and third Customix plants in Belvidere, Illinois, and Archbold, Ohio, during fiscal 1967. Customix, a premixed blend of foundry casting sand additives, is formulated to customer specification and delivered in specially built trucks.

erty, plant, and equipment during the year totaled $55,617,937.

At the end of the fiscal year, net working capital was $89,155,794, a decrease of $17,903,514 from June 30, 1966.

Receivables

Receivables increased $16,817,549 over last year, due to the extended terms in the agricultural area, the acquisition of the E. J. Lavino business, and increases in sales. The Corporation's collection record is expected to remain satisfactory.

Property and Investments

Of the $55 million spent on property, plant and equipment in fiscal 1966-67, $29 million was for the second potash mine and refinery of the Canadian subsidiary and for expansion of the present potash facilities, and $6 million was for the Florida feed phosphate plant. Of the balance, $3 million was spent for additional mineral reserves, and $17 million for replacement, modification, and other facilities.

Major new commitments for equipment during fiscal 1966-67 included the lease of 988 railroad cars and a long-term charter of a cargo vessel. (See Note 8 to Consolidated Financial Statements.)

In addition to the Lavino acquisition, 25,500 shares of common stock (adjusted for the Nov. 25, 1966 distribution) were issued during the year to acquire the net assets of Fred'k A. Stresen-Reuter, Inc.

Studies concluded this year indicate that without extensive new capital for expansion of production facilities, the operation of Compagnie Senegalaise des Phosphates de Taiba will remain uneconomical and therefore the Corporation has concluded that it was in the interest of shareholders to reserve

Mammoth propeller of new cargo ship, being built for IMC use, is powered by 13,800 horsepower diesel engine. The ship has a 41,000-ton cargo capacity.

$2.8 million to cover the possible loss in its investment in this venture.

Capital expenditures at a reduced level for 1967-68 are planned for the installation of a new process at the Carlsbad, New Mexico, plant; storage and shipping facilities; and other expenditures necessary to maintain the Corporation's plant and facilities.

Executive Incentive Compensation

Eighty persons participated in the executive incentive compensation plan, and, with respect to fiscal 1967, were paid an aggregate of $289,505.

Amendment to the By-Laws

Effective May 25, 1967 the By-Laws were amended to designate the President as Chief Executive Officer of the Corporation.

Consolidated Financial Position

1966	1967	at June 30
		CURRENT ASSETS:
$ 12,333,670	**$ 16,022,745**	Cash
20,000,000		Commercial paper, at cost
77,730,590	**94,548,139**	Receivables (less allowances of $2,191,000 in 1967 and $1,675,000 in 1966)
		Inventories, at lower of cost (average or first-in, first-out) or market —
34,721,962	**63,848,882**	Raw materials in process and finished products
3,868,836	**5,016,657**	Freight on products in warehouses
9,085,713	**13,082,568**	Operating materials and supplies
47,676,511	**81,948,107**	
157,740,771	**192,518,991**	**Total current assets**
		CURRENT LIABILITIES:
	51,649,746	Notes payable to banks
38,570,670	**45,899,110**	Accounts payable and accrued liabilities
5,313,629	**4,320,700**	Income taxes (Note 2)
5,320,000		Advance payment on production — after taxes
1,477,164	**1,493,641**	Current maturities on long-term debt
50,681,463	**103,363,197**	**Total current liabilities**
107,059,308	**89,155,794**	**WORKING CAPITAL**
		INVESTMENTS, AT COST:
4,094,633	**4,094,633**	Affiliated domestic companies
5,514,441	**3,020,784**	Foreign companies, less allowance for losses of $2,800,000 in 1967
6,111,361	**7,182,152**	Other investments and long-term receivables
15,720,435	**14,297,569**	
236,918,932	**283,509,694**	**PROPERTY, PLANT AND EQUIPMENT,** at cost less accumulated depreciation and depletion (Note 3)
8,350,278	**12,023,251**	**PREPAID EXPENSES AND DEFERRED CHARGES**
368,048,953	**398,986,308**	Total assets less current liabilities
		Deduct:
181,859,643	**181,660,851**	**LONG-TERM DEBT,** less current maturities (Note 4)
8,363,000	**9,694,000**	**DEFERRED INCOME TAXES** (Note 2)
190,222,643	**191,354,851**	
$177,826,310	**$207,631,457**	**NET ASSETS APPLICABLE TO SHAREHOLDERS' EQUITY**
		SHAREHOLDERS' EQUITY (Notes 4, 5, and 6):
$ 9,833,000	**$ 35,757,300**	Preferred stock
31,613,670	**47,968,440**	Common stock
37,219,505	**22,762,640**	Capital in excess of par value
99,160,135	**101,143,077**	Retained earnings
$177,826,310	**$207,631,457**	

(See Notes To Consolidated Financial Statements)

Consolidated Net Earnings and Retained Earnings

1966	1967	years ended June 30
		REVENUES:
$299,322,001	**$329,522,505**	Net sales
774,649	**395,293**	Other income — net
300,096,650	**329,917,798**	
		COSTS AND EXPENSES:
211,461,298	**246,663,488**	Cost of goods sold
50,086,049	**52,703,996**	Selling, administrative and general expenses
8,222,008	**10,845,814**	Interest charges
269,769,355	**310,213,298**	
30,327,295	**19,704,500**	**EARNINGS BEFORE INCOME TAXES**
5,700,000	**5,050,000**	**PROVISION FOR INCOME TAXES,** including deferred taxes of $1,331,000 in 1967 and $1,457,000 in 1966 (Note 2)
24,627,295	**14,654,500**	**NET EARNINGS** ($1.42 per share in 1967 and $2.56 per share in 1966) (Note 5)
	2,800,000	**SPECIAL CHARGE:** Provision for loss on foreign investment, net of $900,000 income taxes ($.29 per share) (See Financial Review)
24,627,295	**11,854,500**	**NET EARNINGS LESS SPECIAL CHARGE**
82,260,421	**99,160,135**	**RETAINED EARNINGS AT BEGINNING OF YEAR**
215,735	**701,585**	**RETAINED EARNINGS OF POOLED COMPANIES** (Note 1)
107,103,451	**111,716,220**	
		DIVIDENDS PAID:
393,320	**393,320**	4% cumulative preferred — $4.00 per share
	648,107	Series A 5% preferred — $2.50 per share in 1967
7,549,996	**9,531,716**	Common stock — $1.00 per share in 1967 and $.80 per share in 1966 (Note 5)
7,943,316	**10,573,143**	
$ 99,160,135	**$101,143,077**	**RETAINED EARNINGS AT END OF YEAR** (Note 4)

(See Notes To Consolidated Financial Statements)

Consolidated Source and Disposition of Working Capital

1966	1967	years ended June 30
		SOURCE OF WORKING CAPITAL:
		From operations—
$ 24,627,295	**$ 14,654,500**	Net earnings
		Charges against net earnings not involving working capital:
13,810,638	**17,938,885**	Depreciation
997,144	**1,530,800**	Depletion
1,457,000	**1,331,000**	Deferred income taxes (Note 2)
40,892,077	**35,455,185**	
		From issuance of securities—
50,319,000		Convertible debentures
10,000,000		Promissory notes, etc.
	25,924,300	Series A 5% preferred stock (Note 1)
		Common stock:
297,542	**784,834**	Acquisitions (Note 1)
736,129	**1,873,462**	Stock option plans (Note 6)
61,352,671	**28,582,596**	
1,726,401	**1,548,973**	From property disposals, less gains included in net earnings
103,971,149	**65,586,754**	
		DISPOSITION OF WORKING CAPITAL:
69,425,649	**55,617,937**	Additions to property, plant and equipment
131,925	**11,048,139**	Property and other assets of acquired companies
2,295,546	**1,344,600**	Increase in investments and long-term receivables
7,943,316	**10,573,143**	Dividend payments
1,313,378	**198,792**	Decrease in long-term debt
1,870,112	**4,707,657**	Net increase in prepaid expenses, deferred charges, etc.
82,979,926	**83,490,268**	
20,991,223	**(17,903,514)**	**INCREASE (DECREASE) IN WORKING CAPITAL**
86,068,085	**107,059,308**	**WORKING CAPITAL AT BEGINNING OF YEAR**
$107,059,308	**$ 89,155,794**	**WORKING CAPITAL AT END OF YEAR**

(See Notes To Consolidated Financial Statements)

Notes to Consolidated Financial Statements

1. Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and all wholly-owned subsidiaries. The accounts of the foreign subsidiaries have been converted at current or other appropriate exchange rates.

During fiscal year 1967, the Corporation purchased the major manufacturing assets of E. J. Lavino and Company for 259,243 shares of Series A 5% Convertible Preferred Stock, a 6½% 3-year note of $100,000 principal amount and the assumption of certain liabilities. The acquisition of the Lavino business contributed significantly to 1967 net earnings. The Corporation also issued 17,000 shares (25,500 shares as adjusted for subsequent common stock distribution — see Note 5) of common stock to acquire the net assets of Fred'k. A. Stresen-Reuter, Inc. This transaction was accounted for as a pooling of interests. The results of Stresen-Reuter's operations are included in the statement of net earnings for the 1967 fiscal year only; its operations for twelve months ended June 30, 1966 were not material.

In June, 1967 the Corporation entered into an agreement to acquire, subject to certain conditions, the net assets of Village Inn Gourmet Foods, Inc. for 13,333 shares of common stock.

2. Income taxes

The Corporation's federal income tax returns have been examined by the Internal Revenue Service for fiscal years ended June 30, 1959 through 1963 and substantial deficiency assessments have been proposed. Assessed deficiencies for 1959 have been paid under protest and a claim for refund has been filed. Returns filed for the 1964 and 1965 fiscal years are presently under examination. The issues relate principally to the Corporation's method of computing percentage depletion and, for years beginning with 1963, to the pricing of potash purchased by the Corporation from its Canadian subsidiary. The ultimate tax liability on these issues cannot be determined at this time. However, based upon management's appraisal of the issues after discussion with legal counsel, the Corporation believes that the ultimate resolution of these issues through fiscal year 1967 will not have a material adverse effect on the consolidated financial position of the Corporation, or on its consolidated results of operations.

Deferred income taxes have been provided principally in recognition of the excess of accelerated depreciation claimed for tax purposes over book depreciation and of the differences between book and tax deductions for pension and royalty expenses.

No provision has been made for taxes which would be payable if undistributed earnings of foreign subsidiaries were paid to the parent Corporation since these earnings are considered permanently invested in such subsidiaries.

3. Property, plant and equipment

Property, plant and equipment at June 30, 1967 and 1966 consisted of the following:

	1967	1966
Land	$ 4,936,612	2,229,989
Mineral properties, including leases, permits and development costs	54,785,312	46,073,465
Buildings, leasehold improvements, machinery and equipment	320,919,039	228,334,361
Construction in progress including $9,796,147 in 1967 and $39,578,002 in 1966 for expansion of Canadian potash facilities	14,664,415	60,545,586
	395,305,378	337,183,401
LESS:		
Accumulated depreciation	102,722,317	89,001,594
Accumulated depletion	9,073,367	11,262,875
	111,795,684	100,264,469
	$283,509,694	236,918,932

4. Long-term debt and dividend restrictions

Long-term debt outstanding at June 30, 1967 and 1966 was as follows:

	1967	1966
5.35% promissory note, due October 1, 1989, annual payments of $2,750,000 in 1968 - 1978, $4,500,000 in 1979 - 1988, and $4,750,000 in 1989	$ 80,000,000	80,000,000
4% convertible subordinated debentures, due January 1, 1991, annual payments of one-fifteenth of the principal amount outstanding on January 1, 1976 in 1977 - 1991	50,319,000	50,319,000
5.5% promissory note, due October 1, 1982, annual payments of $3,000,000 in 1968 - 1982	45,000,000	45,000,000
6% promissory notes, due March 1, 1975, quarterly payments of $145,000 to 1975	3,915,000	4,495,000
4-6% mortgages and contracts due 1968 - 1984, annual average payments of $393,000 in 1968 - 1972	1,812,848	1,769,887
Other	614,003	275,756
	$181,660,851	181,859,643

The debentures are convertible at any time into common stock at $58.29 per share, subject to adjustment for specified changes in the Corporation's capitalization. The debentures are redeemable at the option of the Corporation at any time at prices ranging from 105.7% in 1967 to 100.3% in 1985 and at 100% thereafter.

The debt agreements restrict the payment of dividends and the purchase, retirement or redemption of capital stock. Consolidated retained earnings of $24,827,-463 were not restricted at June 30, 1967.

5. Shareholders' equity and earnings per share

Capital stock outstanding at June 30, 1967 and 1966 was as follows:

	1967	1966
Preferred stock:		
Series preferred stock, $100 par value, 500,000 shares authorized—		
Series A 5% convertible, cumulative: Authorized and outstanding— 259,243 shares	$25,924,300	
4% cumulative, $100 par value, redeemable at $110 per share— Authorized— 100,000 shares Outstanding—98,330 shares, excluding 1,670 shares in treasury	9,833,000	9,833,000
Common stock, $5 par value:		
Authorized—15,000,000 shares in 1967 of which 1,855,838 shares are reserved		
Outstanding—9,593,688 shares in 1967, excluding 947 treasury shares; 6,322,734 shares in 1966, excluding 631 treasury shares and before 1-for-2 stock distribution	47,968,440	31,613,670
	$83,725,740	41,446,670

The 5% Series A preferred stock is convertible at any time into common stock at $50 per share, subject to adjustment for specified changes in the Corporation's capitalization. The stock is redeemable after September 1, 1971 at prices ranging from $105 per share in 1971 to $100 per share in 1982 and thereafter.

During the 1967 fiscal year the shareholders approved an increase in authorized common stock from 10,000,000 to 15,000,000 shares, which was followed by a 1-for-2 common stock distribution. A summary of changes in common stock outstanding and capital in excess of par value during the year is as follows:

	Common stock		*Capital in excess of par value*
	Shares	*Amount*	
Balance beginning of year	6,322,734	$31,613,670	37,219,505
Acquisition of Stresen-Reuter business (Note 1)	17,000	85,000	(5,367)
Stock distribution in November 1966 (excluding treasury shares) plus issuance costs ($55,190)	3,184,114	15,920,570	(15,975,760)
Exercise of stock options (equivalent to 84,087 shares adjusted for stock distribution)	69,840	349,200	1,524,262
Balance end of year	9,593,688	$47,968,440	22,762,640

At June 30, 1967, 1,855,838 shares of common stock were reserved for (1) conver-

sion of debentures (857,780 shares) and Series A 5% preferred stock (518,486 shares), (2) issuance in connection with the acquisition of a business (13,333 shares), and (3) issuance under stock option plans (466,-239 shares).

Earnings per share are based on the number of common shares outstanding at the close of the fiscal year (1966 amounts have been restated to give effect to the common stock distribution) after recognition of preferred stock dividends of $1,041,427 in 1967 and $393,320 in 1966. Assuming conversion of the 4% subordinated debentures and the Series A 5% preferred stock outstanding at June 30, 1967 into common shares at the conversion rates in effect at that date, pro forma net earnings per share based upon the average number of common shares outstanding during the periods, after eliminating the interest on the debentures (net of taxes) and the preferred dividend requirements, would be $1.53 for 1967 and $2.55 for 1966 and pro forma special charge for 1967 would be $.27 per share.

Dividends per common share for fiscal years 1967 and 1966 have been restated to give effect to the common stock distribution.

6. Stock options

Under a stock option plan adopted in the 1964 fiscal year, stock options may be granted to officers and key employees at prices not less than 100% of fair market value at dates of grant. Options are exercisable not earlier than one year (and in some cases not earlier than two years) or later than five years from dates of grant. The Corporation has also granted stock options under a prior plan for a duration of ten years at prices not less than 95% of fair market value at dates of grant.

During the 1967 fiscal year, options under these plans, as adjusted for the common stock distribution (see Note 5), were canceled on 17,455 shares and exercised on 84,087 shares. At June 30, 1967, options were outstanding on 201,728 shares at prices of $9—41 per share (of which options on 76,738 shares were exercisable), and there were 264,511 shares reserved for future grants.

7. Pension plans

The Corporation and its subsidiaries have pension plans covering substantially all of their employees. Pension expense for the 1967 fiscal year was $2,272,124 (1966—$2,383,188), which includes interest on, or in some cases amortization over approximate employee service life, of unfunded prior service cost.

8. Commitments and guarantees

The major lease commitments covering potash, phosphate and other mineral properties, which expire more than three years after June 30, 1967, provide for the greater of minimum royalties, rentals or royalties based on production. The minimum annual average payments under these leases approximate $2,600,000. Average annual rentals on all other real property, automotive and other equipment leased for terms expiring more than three years after June 30, 1967 are approximately $3,000,000. The Corporation also has long-term leases for railroad cars at estimated annual rentals (after mileage credits for usage) of approximately $500,000. Certain of the leases require payment of taxes, insurance, repairs, maintenance and alterations.

The Corporation has a long-term agreement with a 50% owned affiliate covering charter of a cargo vessel for certain minimum periods each year through 1977 and is committed (1) to pay the expenses of operating the vessel for the minimum charter periods, and (2) to invest amounts aggregating $6,740,000 over a ten-year period (ranging from $899,000 in 1968 to $164,000 in 1977).

Under a long-term purchase agreement for certain of the Corporation's raw material requirements, contract prices and terms have been designed to assure the seller recovery of specified operating costs of plants constructed by the seller for purposes of the agreement. The Corporation also has other long-term purchase contracts made in the ordinary course of business.

The Corporation has guaranteed bank loans of others approximating $5,700,000 at June 30, 1967, and is committed to lend up to $3,150,000 to one affiliated domestic company and to provide working capital, if required, to another.

Auditors' Report

ARTHUR YOUNG & COMPANY
111 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

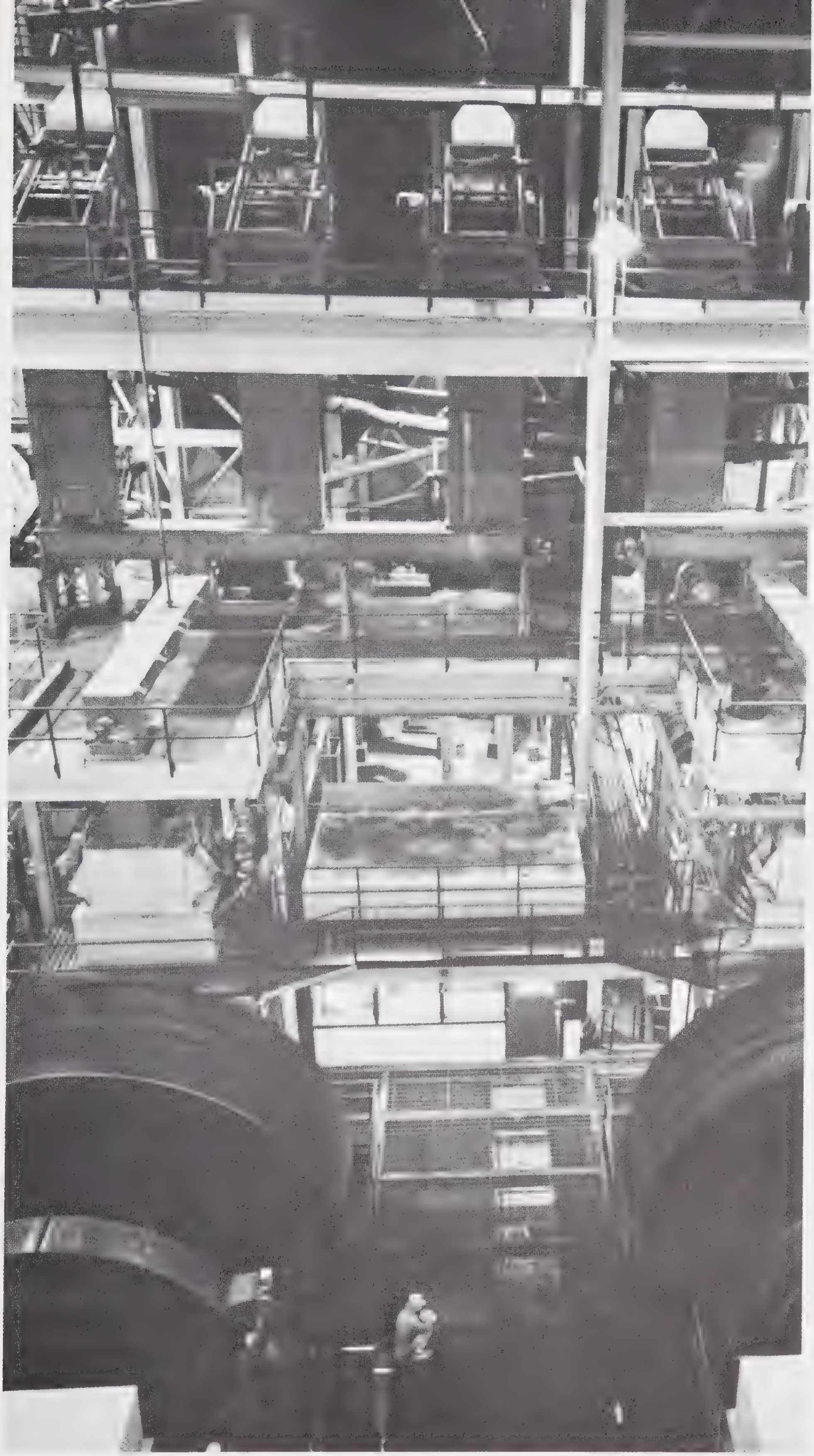
To the Shareholders and Board of Directors of International Minerals & Chemical Corporation:

We have examined the accompanying statement of consolidated financial position of International Minerals & Chemical Corporation and subsidiaries at June 30, 1967 and the related statements of consolidated net earnings and retained earnings and of consolidated source and disposition of working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of International Minerals & Chemical Corporation and subsidiaries at June 30, 1967 and the consolidated results of their operations and the source and disposition of their consolidated working capital for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Young & Company

July 31, 1967



Bouncing steel balls grind potash ore to specifications in 13-foot drums at IMC's around-the-clock K-2 refinery, which began operation this year. Above the two ball mills are a series of screening units that size the incoming ore. IMC's Canadian potash operations are the largest and most efficient in the industry.

Comparative Financial Data

For Ten Years
(in thousands of dollars)

	1967	1966	1965	1964
CONSOLIDATED EARNINGS YEARS ENDED JUNE 30				
Net sales	**$329,523**	$299,322	$262,997	$225,714
Operating costs and expenses	**299,367**	261,547	234,266	203,606
Operating income	**30,156**	37,775	28,731	22,108
Other income	**395**	774	450	349
Interest charges	**(10,846)**	(8,222)	(5,638)	(4,530)
Earnings before income taxes	**19,705**	30,327	23,543	17,927
Income taxes	**5,050**	5,700	3,200	2,150
Net earnings	**$ 14,655**§	$ 24,627	$ 20,343	$ 15,777
Net earnings as percentage of sales	**4.4**	8.2	7.7	7.0
CONSOLIDATED FINANCIAL POSITION AT JUNE 30				
Assets:				
Current assets	**$192,519**	$157,741	$120,494	$101,720
Property, plant and equipment (net)	**283,510**	236,919	184,275	138,109
Other assets	**26,320**	24,071	19,525	15,428
Total	**$502,349**	$418,731	$324,294	$255,257
Liabilities and shareholders' equity:				
Current liabilities	**$103,363**	$ 50,681	$ 34,426	$ 25,354
Long-term debt	**181,661**	181,860	122,854	80,472
Deferred income taxes	**9,694**	8,363	6,906	4,684
Shareholders' equity				
Preferred stock	**35,757**	9,833	9,833	9,833
Common stock	**47,968**	31,614	31,288	15,517
Capital in excess of par value	**22,763**	37,220	36,727	50,869
Retained earnings	**101,143**	99,160	82,260	68,528
Shareholders' equity	**207,631**	177,827	160,108	144,747
Total	**$502,349**	$418,731	$324,294	$255,257
OTHER DATA				
Expenditures for property, plant and equipment	**$ 55,618**	$ 69,426	$ 52,756	$ 25,097
Depreciation and depletion	**$ 19,470**	$ 14,808	$ 13,079	$ 11,519
Earnings per share of common stock*	**$ 1.42**§	$ 2.56	$ 2.13	$ 1.65
Dividends per share of common stock*	**$ 1.00**	$ .80	$ .67	$ .67††
Book value per share of common stock*	**$ 17.92**	$ 17.71	$ 16.01	$ 14.49
Common shares outstanding at yearend*	**9,593,688**	9,484,101	9,386,490	9,310,254
Number of shareholders at yearend	**22,878**	19,617	18,809	16,201
Average number of employees	**7,753**	7,313	6,925	6,610

IMC

	1963	1962	1961	1960	1959	1958
	$184,180	$164,528	$133,786	$125,646	$112,560	$103,662
	169,933	151,934	122,149	114,669	104,122	96,574
	14,247	12,594	11,637	10,977	8,438	7,088
	142	381	241	169	92	187
	(3,994)	(2,643)	(1,700)	(1,386)	(1,141)	(972)
	10,395	10,332	10,178	9,760	7,389	6,303
	100	1,400	1,960	2,116	1,200	1,030
	$ 10,295†	$ 8,932	$ 8,218**	$ 7,644	$ 6,189	$ 5,273
	5.6	5.4	6.1	6.1	5.5	5.1
	$ 80,635	$ 68,823	$ 52,778	$ 42,487	$ 39,224	$ 40,688
	124,303	115,018	93,761	92,786	86,653	80,137
	10,772	9,379	6,147	5,060	5,168	5,136
	$215,710	$193,220	$152,686	$140,333	$131,045	$125,961
	$ 27,966	$ 17,898	$ 11,794	$ 11,826	$ 9,320	$ 7,556
	64,557	55,652	31,789	29,565	26,737	25,561
	3,672	3,353	3,150	4,020	4,395	4,650
	9,833	9,833	9,833	9,833	9,833	9,833
	14,038	13,946	13,116	12,226	11,747	11,687
	36,619	36,170	33,550	29,285	29,116	28,824
	59,025	56,368	49,454	43,578	39,897	37,850
	119,515	116,317	105,953	94,922	90,593	88,194
	$215,710	$193,220	$152,686	$140,333	$131,045	$125,961
	$ 23,200	$ 28,860	$ 13,225	$ 12,135	$ 13,930	$ 9,645
	$ 8,752	$ 7,895	$ 7,374	$ 7,070	$ 6,980	$ 6,665
	$ 1.18†	$ 1.02	$ 1.03**	$ .99	$ .83	$ .70
	$ .53	$ .53	$ .53	$ .53	$ .53	$ .53
	$ 13.02	$ 12.73	$ 12.21	$ 11.60	$ 11.46	$ 11.18
	8,423,019	8,367,567	7,869,846	7,095,492	7,048,281	7,011,951
	14,619	14,642	15,743	16,362	16,014	13,744
	5,618	5,163	5,366	5,413	4,953	4,834

**Adjusted to reflect distribution on November 25, 1966, of one share of common stock for each two shares outstanding.*
***Does not include net gain, after taxes, of $1,588,006 resulting from gain on sale of undeveloped phosphate reserves in Tennessee and from losses on permanent plant closings.*
†Does not include net special charge, after taxes, of $2,797,252 resulting from losses on plant abandonments less credit from capitalizing certain costs incurred during construction of Canadian mine.
††Includes an extra of 7 cents.
§Does not include special charge, after taxes, of $2,800,000 provision for loss on foreign investment.

Directors

Chester Baylis, Jr., senior vice president of Bankers Trust Company of New York, has been a member of the IMC Board of Directors since 1966. He also is a director and member of the executive committee of the Glen Falls Insurance Company and Huyck Corporation, and a director of Baltimore Gas & Electric Company, Melville Shoe Corporation, South Atlantic Company, and National Union Bank of Dover, New Jersey.

Dr. Earl L. Butz, a former Assistant Secretary of Agriculture and presently dean of agriculture of Purdue University, has been a member of the IMC Board of Directors since 1961. He also is a director of Ralston Purina Company, The J. I. Case Company, and Standard Life Insurance Company.

Norman J. Dunbeck, has been an officer of IMC since 1952 and has been executive vice president and a member of the IMC Board of Directors since September 1966.

Glover Johnson, a senior member of the New York law firm of White & Case, has been a member of the IMC Board of Directors since 1952. He also is a director of Agfa-Gevaert, Inc., DeLuxe Topper Corporation, The F. & M. Schaefer Brewing Company, Federal Paper Board Company and Genung's Inc.

Edwin C. McDonald, chairman of the board and director of The Royal Bank of Canada Trust Company of New York, has been a member of the IMC Board of Directors since 1964. His other directorships include Celanese Corporation, the May Department Stores Company, Metropolitan Life Insurance Company, The Royal Bank of Canada—Montreal, Thomson Newspapers Ltd., Pacific Petroleums, Ltd., Salada Foods, Ltd., Frontier Airlines, Diner's Club, General Host and Automatic Retailers of America.

Henry W. Meers, a partner in White, Weld & Co., investment bankers, Chicago, and a member of the Midwest Stock Exchange, has been a member of the IMC Board of Directors since 1959. He is a director of Illinois Tool Works, Calumet & Hecla, Inc., Standard-Kollsman Industries, Inc., North American Life Insurance Company, Interstate Bakeries Corporation and the Kroehler Manufacturing Company.

Robert W. Purcell, chairman of the board of International Basic Economy Corporation, New York, has been a member of the IMC Board of Directors since 1961. He is a director of International Basic Economy Corporation, The Investors Group, Investors Mutual of Canada, Ltd., Investors International Mutual Fund, Ltd., Caneel Bay Plantation, Inc., Chemway Corporation, Anelex Corporation, Seaboard World Airlines, Inc., The Bendix Corporation and Manhattan Fund.

John T. Ryan, board chairman of Mine Safety Appliances Company and the Callery Chemical Company, has been a member of the IMC Board of Directors since 1960. He is a director of Blaw-Knox Co., Allegheny Ludlum Steel Corporation, Elastic Stop Nut Corporation, H. J. Heinz Company and Mellon National Bank and Trust Company.

Vernon F. Taylor, Jr., president and director of Westhoma Oil Company and Peerless Incorporated, has been a member of the IMC Board of Directors since 1958. He is also a director of Union Pacific Railroad Company, Colorado National Bank, Craigmont Mines, Ltd., and Placer Development, Ltd.

Thomas M. Ware, has been a member of the IMC Board of Directors since 1957 and chairman since 1964. He is a director of Massey-Ferguson Ltd., Toronto, and the First National Bank of Chicago.

Nelson C. White, IMC president since 1964, has been a member of IMC's Board of Directors since 1962.

Officers

Thomas M. Ware, Chairman of the Board
Nelson C. White, President
Norman J. Dunbeck, Executive Vice President

Anthony E. Cascino, Group Vice President — Agriculture
Robert J. DeLargey, Group Vice President — Industry

Charles S. Dennison, Vice President — Overseas
John F. Kincaid, Vice President — Research and Development
Edward C. Skinner, Vice President — Agricultural Operations

Bror R. Carlson, Treasurer
John R. Taylor, Secretary and General Counsel
Clark E. Gable, Assistant Secretary
James T. Gibson, Jr., Assistant Treasurer

Division Vice Presidents

Arthur H. Bergey, E. J. Lavino and Company
Bland B. Button, Industrial Chemicals
Edward W. Claar, Industrial Minerals
M. B. Gillis, Animal Health and Nutrition
Everett C. Horne, Agricultural Chemicals Sales
Sidney T. Keel, Agricultural Overseas Sales
Robert L. Koob, Government Affairs
Charles P. Loucks, Drilling Mud
R. Steven Mason, Ac'cent International
Callix E. Miller, Facilities
Roland W. Puder, Materials Management
Neal G. Schenet, Rainbow (Plant Food)
Carl von Ammon, Corporate Marketing Services

New Officers Elected

In action taken as the Annual Report was being printed, two new officers were elected by the Board of Directors at its September meeting.

They are Mr. Richard A. Lenon, Group Vice President-Administration, and Mr. B. H. Melton, Vice President-Agricultural Marketing.

Both bring particular management skills to fill openings in the corporate organization.

Mr. Lenon will be returning to IMC from Westinghouse Air Brake Company, where he has served since 1963 as Vice President, Finance. He was previously Vice President and Treasurer of IMC, and will now be responsible for the financial and administrative functions of the Corporation.

Mr. Melton, former corporate Vice President, Marketing, and divisional President of the Sunbeam Corporation's shaver business, is well known for constructive marketing programs in the highly competitive home appliance field. He will be responsible for the domestic and overseas sales and marketing of all IMC agricultural products.

Sales Offices

Ac'cent International
Northbrook, Illinois

Agricultural
Americus, Georgia
Augusta, Georgia
Bellflower, California
Buffalo, New York
Chicago Heights, Illinois
Clarksville, Tennessee
Florence, Alabama
Fort Worth, Texas
Hartsville, South Carolina
Hong Kong§
Indianapolis, Indiana
Jacksonville, Florida
Lockland, Ohio
London, England§
Mason City, Iowa
Mulberry, Florida
Paris, France§
Plymouth, Indiana
Skokie, Illinois
Texarkana, Arkansas
Tifton, Georgia
Tokyo, Japan§§
Toronto, Ontario§
Tupelo, Mississippi
Xenia, Ohio

Industrial
Anchorage, Alaska
Ardmore, Oklahoma
Bakersfield, California
Bay City, Texas
Beeville, Texas
Bensenville, Illinois
Berwick, Louisiana
Calgary, Alberta, Canada§
Casper, Wyoming
Chicago, Illinois
Corpus Christi, Texas
Dallas, Texas
Denver, Colorado
Farmington, New Mexico
Garden City, Louisiana
Great Yarmouth, Norfolk, England§
Harvey, Louisiana
Houma, Louisiana
Houston, Texas
Kenai, Alaska
Lafayette, Louisiana
Lake Charles, Louisiana
Lindsay, Oklahoma
London, England
Long Beach, California
McAlester, Oklahoma
McAllen, Texas
Mexico City, Mexico§
Midland, Texas
Monahans, Texas
Montpellier, France§
New Orleans, Louisiana
Oklahoma City, Oklahoma
Pampa, Texas
Paris, France§
Perryton, Texas
Philadelphia, Pennsylvania
Pittsburgh, Pennsylvania
Rockport, Texas
Rome, Italy§
Shreveport, Louisiana
Tulsa, Oklahoma
Woodward, Oklahoma

IMC

Mines and Plants

Ac'cent International
Chicago, Illinois

Agricultural Chemicals
Achan, Florida**
Bonnie, Florida**
Carlsbad, New Mexico
Cordova, Illinois*
Esterhazy, Saskatchewan††
Kingsford, Florida**
Mulberry, Florida
Noralyn, Florida**
Taiba, Senegal†

Animal Health and Nutrition
Bellflower, California
Bonnie, Florida**
Imperial, California

Industrial
Archbold, Ohio
Balsam, North Carolina
Belvidere, Illinois
Bensenville, Illinois
Bondclay, Ohio
Buckingham, Quebec††
Cleveland, Ohio
Colony, Wyoming
Covington, Tennessee
Custer, South Dakota
Detroit, Michigan
Freeport, Texas
Gary, Indiana
Havelock, Ontario††
Houston, Texas
Jackson, Ohio
Kingman, Arizona
Kona, North Carolina
Long Beach, California
Lynchburg, Virginia
Monterrey, N.L., Mexico†
Narco, Sardinia, Italy
Newark, California
Newmanstown, Pennsylvania
Niagara Falls, New York
Orrington, Maine*
Piney River, Virginia
Plymouth Meeting, Pennsylvania
Port Richmond, Pennsylvania
San Jose, California
Sheridan, Pennsylvania
Smithville, Mississippi
Spruce Pine, North Carolina
Steelport, Eastern Transvaal, Republic of South Africa††
Wadsworth, Ohio
York, Alabama

Rainbow (Plant Food)
Americus, Georgia
Amory, Mississippi
Auburn, New York
Augusta, Georgia
Blooming Prairie, Minnesota
Broadmoor, Illinois
Buffalo, New York
Cameron, Illinois
Cedar Rapids, Nebraska
Centerville (Lexington), Kentucky
Chicago Heights, Illinois
Chippewa Falls, Wisconsin
Churchville, New York
Clarksville, Tennessee
Clewiston, Florida
Covington, Ohio
Cullman, Alabama
Delft, Minnesota
Delmar, Iowa
Edmund, Wisconsin
El Dorado, Wisconsin
Erie, Illinois
Fairfax, Minnesota
Florence, Alabama
Foley, Alabama*
Fort Worth, Texas
Gadsden, Indiana
Genoa, Nebraska
Gratis, Ohio
Greeneville, Tennessee
Hartsville, South Carolina
Hendersonville, North Carolina
Holly Hill, South Carolina
Hoytville, Ohio
Indianapolis, Indiana
Jacksonville, Florida
Johnson City, Tennessee
King Ferry, New York
Lockland, Ohio
Louisville, Georgia*
Low Moor, Iowa
Marshall, Minnesota
Meriden, Minnesota
Mason City, Iowa
Middletown, Indiana
Monticello, Indiana
Mulberry, Florida
Nappanee, Indiana
North Henderson, Illinois
Olin, Iowa
Oxford Junction, Iowa
Plymouth, Indiana
Pocahontas, Iowa
Roachdale, Indiana
Russellville, Indiana
Saint Ansgar, Iowa
Schoolcraft, Michigan
Selma, Ohio
Somerset, Kentucky
Spartanburg, South Carolina
Speer, Illinois
St. Joe, Indiana
Texarkana, Arkansas
Tifton, Georgia
Tripoli, Iowa
Tupelo, Mississippi
Ulah, Illinois
Union, Illinois
Walnut Grove, Illinois
Waynesboro, Georgia
Welcome, Minnesota
Williamsfield, Illinois
Wilton Junction, Iowa
Winston-Salem, North Carolina
Xenia, Ohio

Freight Offices

New York, New York§
Rotterdam, The Netherlands§
Tampa, Florida§
Vancouver, British Columbia§

§ Office of subsidiary
§§ Office of sales agent
** Plants of affiliated companies*
*** Post office, Bartow, Florida*
† Mine of affiliated company
†† Plants of subsidiaries

Products

Agricultural

Ammonium Nitrate (Granular and Prilled)
Ammonium Nitrate — Limestone
Ammonium Sulfate
Anhydrous Ammonia
Ani-Mate® (Feed Grade Monosodium Glutamate)
Aqua Ammonia
Calcined Phosphate Rock
Defluorofos® (Defluorinated Feed Phosphate)
Diammonium Phosphate (18-46-0)
Duo-Fos® (Feed Grade Ammonium Phosphate)
Dyna-Ferm® (Animal Feed Supplement)
DynaFos® (Dicalcium Phosphate, Feed Grade)
Dyna-K® (Feed Grade Potassium Chloride)
Florida Pebble Phosphate
Four Leaf® (Ground Rock Phosphate)
IMC™ Dicalcium Phosphate (Feed Grade)
International Fertilizers®
Liquid Fertilizer
Muriate of Potash (Standard, Coarse, Granular, Special Standard)
Muriate of Potash (White, Soluble)
Nitrogen Solutions (Liquid Fertilizers)
Phosphoric Acid (Phosphatic Fertilizer Solution)
Pot O' Gold® (Fertilizer Materials)
Premixed Feed Supplements
Rainbow® (Premium Plant Food)
Rainbow® Herbicides
Rainbow® Matchmate (Premium Blended Fertilizer Mix)
Showdown® Crop Oil (Supplemental Herbicide Carrier)
Signature® (Fertilizers)
Southern Bentonite (Feed Pelleting)
Sulfate of Potash (Standard and Granular)
Sulfuric Acid
Sul-Po-Mag® (Sulfate of Potash-Magnesia -- Standard and Coarse)
Superphosphate
Superphosphoric Acid
Super Rainbow® (Premium Plant Food)
Taiba Phosphate Rock
Thuricide® 90 TS (Microbial Insecticide)
Triple Superphosphate (R.O.P. and Granular)
Urea
Vitamin B 12 (Feed Supplement)
Western Bentonite (Feed Pelleting)

® Reg. U.S. Pat. Off.
™ Trade Mark

Food

Ac'cent® (Monosodium Glutamate)
Ac'cent® (Monosodium Glutamate with Flavor Added)
Ac'cent Brand Beef Flavor Base™ (Food Base)
Ac'cent Brand Chicken Flavor Base™ (Food Base)
Ac'cent Brand Deluxe Beef Flavor Base™ (Food Base)
Ac'cent Brand Premium Chicken Base™ (Food Base)
Mei-Wei-Fen® (Monosodium Glutamate)
Monoammonium Glutamate
Monopotassium Glutamate
Sa-Són Ac'cent™ (Seasoning)
Sauce Quik® (Sauce Base)
Shirayuki® (Monosodium Glutamate)
Yeast Extracts

Industrial

Alkyd Resins
Anhydrous Ammonia
Aplite
Barite
Basic Refractories
Bentonite
Bleach
Bonding and Fire Clays
Carbonate of Potash
Caustic Potash
Caustic Soda
Chlorine
Chloropicrin
Chromite
Core Oil
Cupola Patching Material
Customix® (premixed foundry sand additives)
Drilling Mud Materials
Facebrick
Feldspar
Ferromanganese
Foundry Equipment
Foundry Sand Additives
Furan Resins
Hydrofluosilicic Acid
L-Glutamic Acid
L-Glutamic Acid Hydrochloride
Lignite
Low-Iron Sands
Manganese Ores and Chemicals
Manganous Oxide
Muriate of Potash
Nepheline Syenite
Oil Well Drilling Muds
Olivine
Paint Compounds
Periclase
Potassium Chloride
Printing Ink Compounds*
Processed Oils
Silica Sand
Southern Bentonite
Sulfate of Potash
Vit-Gobe® (brick coating)
Western Bentonite

** Ink used to print this annual report is made with compounds produced by IMC's Stresen-Reuter International plant.*

Markets and End Uses

Agriculture
Feed Ingredients for Livestock and Poultry
Fertilizers
Growth Regulators
Insecticides
Weed Control Chemicals

Building Materials
Fiber Glass
Paint
Tiles for Floors and Walls
Wallboard
Waxes

Ceramics
Chinaware
Glass
Porcelain
Porcelain for Industry
Pottery
Sanitary Ware

Chemicals
Cleansers
Detergents
Drugs
Dyestuffs
Mildewcides
Paints
Paper Bleaching
Pharmaceuticals
Photographic Reagents
Printing Ink
Synthetic Rubber
Water Chlorination
Water Fluoridation

Electrical
Batteries
Electrical Porcelain
Television Tubes

Food
Food Preparation for Institutions, Homes
Food Processing

Metals Production
Aluminum Production
Flux Agents
Foundries
Iron Ore Pellet
Steel Milling

Oil Well Drilling
Asphalt Emulsions
Oil Base Drilling Mud Materials
Water Base Drilling Mud Materials

Petroleum and Gas Production
Fuel Oil Additives
Gas Purification
Gasoline Production
Grease Additives

Corporate Data

Headquarters Office
Administrative Center, Old Orchard Road, Skokie, Illinois

Corporate Office
485 Lexington Avenue, New York, New York

Subsidiaries
Ac'cent International de Mexico, S.A. de C.V.
Ac'cent International, Inc.
IMC Development Corporation
IMC Fluidos de Perforacion, S.A.
IMC Italia, S.p.A.
IMC Phosphate Terminal Company
International Minerals & Chemicals Limited
International Minerals & Chemical (A.N.Z.) Pty. Limited
International Minerals & Chemicals (Bahamas) Limited
International Minerals & Chemical Corporation (Canada) Limited
International Minerals & Chemical de France
International Minerals & Chemical (Hong Kong) Limited
International Minerals & Chemical S.A.
Lavino South Africa (Pty.) Ltd.
Overseas Marine Services, Inc.
Overseas Marine Services Limited

Affiliated Companies
Azufrera Intercontinental S.A. de C.V.
Bentonita de Mexico, S.A.
Compagnie Senegalaise des Phosphates de Taiba
Coromandel Fertilisers Limited
IMC Chlor-Alkali, Inc.
Ken International, S.A.
Louisville Fertilizer & Gin Company
Marion Manufacturing Corporation
Nitrin, Inc.
Peoples Fertilizer Company
Universal Bulk Shipping Corporation

Research Laboratories
Libertyville, Illinois
Mulberry, Florida
Plymouth Meeting, Pennsylvania

Auditors
Arthur Young & Company, Chicago, Illinois

Counsel
White & Case, New York, New York

Stock Exchanges
Midwest Stock Exchange
New York Stock Exchange
Toronto Stock Exchange

Transfer Agents
Bankers Trust Company, New York, New York
The First National Bank of Chicago, Chicago, Illinois
The Royal Trust Company, Toronto, Ontario

Registrars
Canada Permanent Trust Co., Toronto, Ontario
Chemical Bank New York Trust Company, New York, New York
Continental Illinois National Bank & Trust Company of Chicago, Chicago, Illinois

Trustee
Subordinated Convertible Debentures
The First National Bank of Chicago, Chicago, Illinois

Paying Agent
Subordinated Convertible Debentures
Bankers Trust Company, New York, New York

IMC

Printed in U.S.A.

INTERNATIONAL MINERALS & CHEMICAL CORPORATION • SKOKIE, ILLINOIS, U.S.A.